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IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re: : Chapter 11

:

ZITNER CANDY CORP., et al. : Bankruptcy No. 18-12482(MDC)

Jointly Administered with

Debtor. : Case No. 18-12484(MDC)

APPLICATION OF THE DEBTOR TO EMPLOY DUANE MORRIS, LLP AS SPECIAL COUNSEL TO THE DEBTOR PURSUANT TO 11 U.S.C. § 327

- 1. On April 13, 2018, Zitner Candy Corp. (the "Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, as amended (the "Bankruptcy Code"). The Debtor continues to operate its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
- 2. The Debtor's story begins in 1920 when Sam and Annie Zitner first began selling their delicious candy creations from their home. As the years went by, the demand for the Zitner's candy creations grew and so did their business. Ninety-eight years later, the Debtor, a Philadelphia based company operating near Temple University at 3120 N. 17th Street in Philadelphia, is known as one of the finest candy companies in the country. Indeed, the Debtor's gourmet chocolate covered pretzels and candy eggs can be found in drug stores, grocery stores, and convenience stores throughout the United States. By way of example, the Debtor's confections can be found in 7-11 Stores, Acme, CVS, Kroger, Shoprite, Target, Turkey Hill, Walmart, Wawa, Wegman's, and Weis Markets among others.
- 3. Through this application (the "Application"), the Debtor seeks authority to retain Duane Morris, LLP (the "Firm") as its special counsel to provide legal advice on trademark matters as is specifically laid out in this Application and the attached Engagement Letter.

- 4. The Debtor has made careful and diligent inquiry into the qualifications and competence of the Firm and is advised that the Firm, by reason of ability, integrity and professional experience, is capable of providing proper accounting services to the Debtor.
- 5. Subject to this Court's approval, the Firm will charge the Debtor for legal services rendered on an hourly basis in accordance with its ordinary and customary rates in effect on the date that such services are rendered and submits that such rates are reasonable.
- 6. In addition to the hourly rates, the Firm customarily charges its clients for all costs incurred, including photocopying charges, long distance telephone calls, outgoing facsimile transmissions, messengers, courier mail, printing, transcripts, court fees, document retrieval and similar items.
- 7. Accordingly, the Debtor seeks to engage the services of the Firm as special counsel on the terms set forth in the engagement letter (the "Engagement Letter"). A true and correct copy of the Engagement Letter is attached hereto as Exhibit "A."
 - 8. A summary of the professional services the Firm will provide are as follows:
 - (a) provide legal advice on trademark matters.
- 9. Based on the Declaration of David E. Landau, the Debtor believes the Firm does not hold any interest adverse to the Debtor's estate and, while employed by the Debtor, will not represent any person having an adverse interest in connection with this case. Further based upon the Declaration of David E. Landau, the Debtor believes the Firm is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code.
- 10. The Firm may also assist in related matters for Zitner Station Development Group, LP, a debtor-in-possession identified in Bankruptcy Case No. 18-12484, and Zitner Station Development Group GP, LP.

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11. The Debtor believes that the employment of the Firm is necessary and in the best interest of the Debtor's estates.

WHEREFORE, the Debtor seeks approval to engage Duane Morris, LLP as its special counsel.

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Dated: July 1, 2018

By: /s/ Albert A. Ciardi, III

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